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7  
 8 UNITED STATES DISTRICT COURT  
 9 NORTHERN DISTRICT OF CALIFORNIA  
 10 SAN FRANCISCO DIVISION

|    |                      |   |   |
|----|----------------------|---|---|
| 11 | SYNOPSYS, INC.,      | ) | Case No. C03-02289 MJJ (EMC)            |
|    |                      | ) |   |
| 12 | Plaintiff,           | ) | <b>STIPULATION AND [PROPOSED] ORDER</b> |
|    |                      | ) | <b>DISMISSING CERTAIN CLAIMS</b>        |
| 13 | vs.                  | ) |   |
|    |                      | ) |   |
| 14 | RICOH COMPANY, LTD., | ) |   |
|    |                      | ) |   |
| 15 | Defendant.           | ) |   |
|    |                      | ) |   |

16  
 17 WHEREAS declaratory judgment plaintiff Synopsys, Inc. ("Synopsys") and defendant Ricoh  
 18 Company Ltd. ("Ricoh"), collectively referred to herein as "the Parties", through their respective  
 19 counsel, STIPULATE AND AGREE as follows:

20 1. Ricoh will not sue any customer or licensee of Synopsys for infringement of any claim of  
 21 United States Patent No. 5,197,016 (the '016 patent) or of any of claims 1-12 and 18-20 of United  
 22 States Patent No. 4,922,432 (the '432 patent) solely as a result of the operation or use of prior or  
 23 current (e.g., v.2003.12) versions of Synopsys' Design Compiler software, HDL Compiler for Verilog  
 24 software, VHDL Compiler software and DesignWare Foundation libraries, either alone or in  
 25 combination (hereinafter "Synopsys Design Compiler Products"). Additionally, Ricoh shall release  
 26 any customer or licensee of Synopsys for actions arising solely as a result of the operation or use of  
 27 prior or current (e.g., v.2003.12) versions of the Synopsys Design Compiler Products with regard to  
 28 claims 1-12 and 18-20 of the '432 patent and all claims of the '016 patent. This shall not preclude

1 Ricoh from suing any customer or licensee in the future based on any operation or use of these  
2 Synopsys' Design Compiler Products in conjunction with software other than the Synopsys Design  
3 Compiler Products that are utilized by the customer, whether provided by a third party or Synopsys or  
4 developed internally by such customer or licensee, that occurs after the date of this Stipulation, which  
5 other software is used to carry out or enable the carrying out of any of the functions or activities  
6 covered by any of the claims of the '016 patent or the claims of the '432 patent identified in this  
7 paragraph. Nothing herein shall have any bearing upon or be used in any manner by either Party, as  
8 any evidence or otherwise, in connection with any assertion by Ricoh of claims 13-17 of the '432  
9 patent or of any assertion by Ricoh with respect to any future version of any Synopsys software.  
10 Except with respect to enforcement of the releases and covenants not to sue granted herein, nothing  
11 herein shall have any bearing upon or be used in any manner by the Court or either Party or any third  
12 party as any evidence or otherwise in connection with any administrative or judicial proceeding.

13 2. Synopsys represents as follows:

14 a. None of the prior or current (e.g., v.2003.12) versions of Synopsys Design Compiler  
15 Products contain a flow chart editor, or are able to and/or will be able to generate, process or directly  
16 receive and process input information in the form of a flow chart in the absence of other products or  
17 software. For purposes of this subsection a, flow chart shall mean a graphical representation of flow,  
18 such as a series of boxes representing actions, diamonds representing conditions, and lines with arrows  
19 representing transitions between actions and conditions.

20 b. None of the prior or current (e.g., v.2003.12) versions of Synopsys Design Compiler  
21 Products are able to and/or will be able to generate, process or directly receive and process information  
22 using an inference strategy in the absence of other products or software. For purposes of this  
23 subsection b, an inference strategy is based upon a fast pattern matching algorithm where the rules are  
24 stored and the requirement to iterate through the rules is avoided.

25 A judicial determination that any of these representations is incorrect shall render this entire  
26 Stipulation null and void *ab initio* with respect to the '432 patent only.

27 These definitions are solely for purposes of this Stipulation and shall not be used by the Court  
28 or any Party or third party in any other proceedings, including, without limitation, the claim

1 construction proceedings in either the instant action or in Ricoh v. Aeroflex et. al, Case No. 03-4669-  
2 MJJ.

3 3. Subject to paragraph 2 above, Ricoh acknowledges that customers of Synopsys, are  
4 third party beneficiaries of the provisions of paragraph 1 above.

5 4. Ricoh affirms the covenant not to sue Synopsys for infringement of either the '432  
6 patent or the '016 patent as set forth in the July 14, 2003 Declaration of Kenji Takiguchi, Deputy  
7 General Manager of the Legal Division and General Manager of Legal and IP Licensing for Ricoh,  
8 which provided as follows: "Ricoh unconditionally agrees not to sue Synopsys for infringement as to  
9 any claim of the '432 patent and the '016 patent based upon the products currently manufactured, sold,  
10 and used by Synopsys."

11 5. Ricoh's outside counsel shall provide Synopsys' outside counsel with a  
12 contemporaneous courtesy copy of any written communication from Ricoh's outside counsel  
13 materially regarding the enforcement by Ricoh of either the '432 or '016 patents to Synopsys'  
14 customers with whom Ricoh has no prior licensing (including cross licensing) relationship.

15 6. Synopsys hereby grants a full and perpetual release to Ricoh for any and all cause(s) of  
16 action relating to or based upon any communication that Ricoh has had with any Synopsys customer or  
17 licensee prior to the date of this Stipulation that relates to the '016 patent or claims 1-12 and 18-20 of  
18 the '432 patent.

19 7. Synopsys shall within one week of the execution of this Agreement dismiss the portion  
20 of Counts I and II in its Amended Complaint relating to claims 1-12 and 18-20 of the '432 patent only,  
21 and all portions of Counts III and IV thereof. The portions of the Counts relating to claims 13-17 of  
22 the '432 patent shall remain in the action. Except to the extent it is inconsistent with Paragraph 8  
23 herein, this dismissal shall be with prejudice with respect to the present action, and shall preclude any  
24 other action by Synopsys against Ricoh regarding the '016 patent or claims 1-12 and 18-20 of the '432  
25 patent that accrued prior to the date of this Stipulation. The Parties further agree that, notwithstanding  
26 this paragraph 7, if in the future Ricoh asserts or threatens any claim against Synopsys or any Synopsys  
27 customer based upon the '016 patent or claims 1-12 and 18-20 of the '432 patent, Synopsys shall have  
28 the right to initiate a declaratory judgment action on those claims against Ricoh.

8. Nothing in this Stipulation shall be interpreted as any admission by either Party relating to matters of validity or invalidity of any patent, or as any admission by either Party of its direct or contributory or inducement of infringement or lack of infringement of any patent, or as an admission by either Party of any issue relating to the above captioned action and/or the '016 or '432 patents. Except with regard to the enforcement of the covenants not to sue and the releases granted herein, it is understood that no Party is waiving or has waived any claim or affirmative defense that any patents are valid, invalid, enforceable, unenforceable, infringed or not infringed, or any other claim or defense, including any such claim or affirmative defense based upon the factual allegations made in the above captioned action, all of which the Parties expressly reserve.

9. Both parties are prohibited from mentioning or referring to the existence of or any portion of this Stipulation or the dismissal pursuant to paragraph 7 in the present action or in Ricoh v. Aeroflex, et al., Case No. C-03-4669-MJJ, including but not limited to mentioning or referring to the existence of or any portion of this stipulation or the dismissal pursuant to paragraph 7 during any trial in the present action or in Ricoh v. Aeroflex, et al., Case No. C-03-4669-MJJ. No press release shall be made regarding any portion of this Agreement.

Dated: July 6, 2004

Synopsys, Inc.

Ricoh Company, Ltd.

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**ORDER**

**IT IS SO ORDERED.**

Dated: \_\_\_\_\_

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Hon. Martin J. Jenkins  
United States District Judge